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*To enrich lives through effective and caring service.*

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To: Each Supervisor  
From: Dave Lambertson  
Director  
Subject: **HYBRID VEHICLE ACQUISITIONS UPDATE REPORT**

On June 21, 2006, ISD reported the status of hybrid vehicle acquisitions and alternate fuel initiatives to your Board. This is an update on progress in these areas.

**Hybrid Vehicle Acquisitions**

In November 2005, your Board directed all Department and District Heads to, whenever feasible, acquire hybrid passenger sedans as they replace the gasoline powered non-emergency vehicles, effective July 1, 2006.

Previous updates have detailed the difficulties we've had purchasing hybrid vehicles and have indicated that the most critical issue has been the lack of vehicle availability due insufficient production by manufacturers to satisfy market demand.

Although demand for hybrid vehicles remains very strong, we have made significant progress purchasing hybrid vehicles. Since our last report:

- 18 of the 64 hybrid vehicles originally ordered have been delivered.
- The remaining 46 vehicles will arrive by the end of this calendar year. We previously reported that these vehicles would not be delivered until sometime in 2007.

Our recent success is due to the implementation of a new solicitation approach (discussed below) for purchasing hybrid vehicles as well as an increased commitment on the part of Toyota (manufacturer of the Prius hybrid vehicle) to the County to fill the original order of 64 vehicles this year.

### **New Solicitation Approach**

ISD implemented a new approach to bidding the County's requirement for hybrid vehicles. Essentially, we issued a "two tier" bid request that asked responders to bid:

- A percent over or under invoice price assuming that they would not be an exclusive supplier of the vehicles to the County.
- A percent over or under invoice price should they be the exclusive supplier of hybrids to the County.

In addition, in both of the bid scenarios we asked the vendors for commitments on delivery times and indicated that this, as well as price, would be evaluated in the bid.

The bids received were evaluated and resulted in an award to Toyota. The pricing and delivery times are significantly improved from previous, conventional bids. Pricing is now down to 4% over invoice and delivery is based on an allocation of 3-10 vehicles per month through February 2007 and 10 – 20 vehicles per month beginning March 2007. Prior to this award, the best pricing was 10% over invoice and delivery was no less than 90 days.

In addition, we had previously we reported that hybrid manufacturers were experiencing delivery delays for vehicles ordered during 2006 and that deliveries would be delayed until 2007. We have now received a commitment from Toyota (manufacturer of the Prius Hybrid) to fill the original order of 64 vehicles during 2006. Additionally, Toyota has committed to allocating the County 101 hybrid vehicles per year starting in calendar year 2007. For Fiscal Year 2006/07, County departments have identified requirements for an additional 44 hybrid vehicle acquisitions. ISD has requested that departments submit requisitions for hybrid vehicles as soon as possible to take advantage of Toyota's allocation commitment.

On a related issue, ISD has learned that the entire allocation of 75,000 Clean Air Vehicle Carpool Lane Access Stickers for Hybrids (State of California hybrid purchase incentive) has been issued. The State has augmented the program with an additional 10,000 stickers to be issued beginning January 1, 2007. The County continues to process applications for the stickers as hybrid vehicles are delivered. However, we have been informed that the priority for issue of these new stickers will be given to private individual applicants over business and government applicants.

### **ISD's Flexible Fuel Vehicles Initiative**

Flexible Fuel Vehicles (FFV) are capable of running on conventional gasoline or E85 ethanol. Ethanol is a renewable fuel produced in the United States from grain such as corn, barley and wheat. E85 fuel consists of 85% ethanol and 15% gasoline. This alternate fuel burns cleaner than gasoline, helps reduce air pollution, and reduces the consumption of petroleum.

There are 14 FFVs (sedans) in the ISD-managed fleet. However, there are no E85 fueling stations in Los Angeles County. To allow us to fuel our FFVs and investigate the benefits of FFV usage, ISD will be converting one of our gasoline fueling stations to an E85 fueling station at our Eastern Avenue complex. ISD has obtained a grant from the Quality and Productivity Commission to fund the conversion of the fueling station. Also, the Commission provided grant funds to purchase an FFV pickup truck to add to our fleet for testing it's suitability for performing typical County missions assigned to these types of vehicles. We will report progress on this initiative in future reports to your Board.

### **Plug-in Hybrid Electric Vehicle**

In November 2006, the Quality and Productivity Commission approved a grant to ISD to fund conversion of two conventional hybrid vehicles into Plug-in Hybrid Electric Vehicles (PHEV). This emerging technology involves adding greater battery capacity and a battery charger that can be plugged into a conventional electrical outlet to an existing hybrid vehicle. This allows the converted vehicle to increase the range it can travel on an electric charge, decrease its use of gasoline, and greatly improve the vehicle's overall miles per gallon (mpg) performance. It has been reported that PHEVs are capable of achieving 200 mpg if driven at low speeds (less than 55 miles per hour) and with mild acceleration. Although other sources suggest a realistic rating is 100 mpg overall, these vehicles may be capable of traveling distances of up to 35 miles on battery charge alone, during which no gasoline is used.

Once we receive the converted PHEVs, ISD will work with other County departments to evaluate their usefulness to perform County missions and the fuel savings that ensue. We will report progress made on the conversion and evaluation of PHEVs in future reports to your Board.

If you have any questions, please contact me or ISD's Chief Deputy Director, Tom Tindall, at (323) 267-2103

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c: ISD Board Deputies